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FISCAL IMPACT STATEMENT

LS 7763

BILL NUMBER: SB 469

NOTE PREPARED: Jan 9, 2007

BILL AMENDED:

SUBJECT: Licensure of Massage Therapists.

FIRST AUTHOR: Sen. Landske

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *State Board of Massage Therapy-* The bill establishes the State Board of Massage Therapy to license massage therapists.

Licensure of Massage Therapists- The bill specifies licensure requirements. The bill establishes guidelines for licensing by endorsement of a massage therapist who holds a license in another state or country. The bill establishes licensure requirements for individuals who currently practice massage therapy.

Penalty Provision- The bill establishes penalties for the unauthorized practice of massage therapy or advertising massage therapy services.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Licensure of Massage Therapists-* The Professional Licensing Agency (PLA) would provide staff support for the State Board of Massage Therapy. The PLA reports they have 11 workgroups that are currently at working capacity staffing 37 professional boards and commissions. The PLA reports their vacancies are either assigned to the existing boards when filled or are currently unfunded.

Additional expenditures for two staff members is estimated to be \$91,800 in FY 2008 and \$89,400 in FY 2009. The estimates include salaries and benefits, telephone expense, office supplies, and printing costs. The bill

does not make an appropriation to cover these expenditures for the Board but does provide that license fee revenue should be set to cover the costs.

Background- As of October 2006, the PLA had 92 full-time employees. The PLA reverted \$63,329 to the state General Fund at the close of FY 2006. The January 1, 2007, vacancy report indicates the PLA has 16 vacancies worth \$342,000.

State Board of Massage Therapy- The Board would be composed of 5 members selected by the Governor. Members of the Board would not be allowed the minimum salary per diem for the performance of duties. The Board would have the power to:

- (a) administer and enforce massage therapy regulation,
- (b) judge applicant qualifications for licensure,
- (c) deny, issue, or renew licenses,
- (d) discipline individuals in violation of massage therapy regulations,
- (e) establish reasonable fees for examination, licensure/applications, and renewal of licenses, and
- (f) maintain records of licensed massage therapists and of all proceedings.

The bill would require the Board to adopt a licensure exam, approve an examination other than the National Certification Exam for Therapeutic Massage and Bodywork, or approve an exam accredited by the National Commission For Certifying Agencies. The Board could incur additional expenses if it chooses to develop an examination.

Explanation of State Revenues: *Licensure of Massage Therapists-* This bill establishes a licensure program for massage therapists and requires the Board to establish reasonable fees for examinations, licensure applications, licensure renewal, and other services. According to current statute, fees set by an occupational or professional licensing board cannot be less than the amount required to pay all of its costs, direct and indirect. Licenses issued would be valid for two years.

The American Massage Therapy Association and the Association of Body and Massage Professionals have a combined total of approximately 2,300 massage therapists as members in Indiana, and approximately 350 massage therapists in Indiana are currently certified by the National Certification Board for Therapeutic Massage and Bodywork. All massage therapists would be required to apply for a license in order to continue practicing in Indiana. Although the bill includes a grandfather clause, all applicants are required to pay the licensure fees. A license may also be issued by endorsement when certain requirements are met. All revenue collected from fees from the licensure of massage therapists would be collected and accounted for by the PLA and deposited in the state General Fund.

The bill allows the Board to issue a license to any applicant who enrolled in, before March 1, 2007, (and completes before January 1, 2008) a 500-hour massage therapy school or program that was in good standing with any state, regional, or national government that regulates massage therapy or programs. Massage therapists attending or finishing an out-of-state recognized school or program within the above time limits would be able to more easily receive a license to practice massage therapy in Indiana. As of December 2006, the AMTA recognized 18 Indiana massage therapy schools for instruction.

Penalty Provision - Unlicensed persons advertising message therapy services would commit a Class B

misdemeanor. Persons violating the general licensure provisions would commit a Class C misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. The maximum fine for a Class C misdemeanor is \$500. However, any additional revenue would likely be small.

Penalty Provision: If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: Professional Licensing Agency.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Barbara McNutt, Professional Licensing Agency, 317-234-1987; IC 25-1-8-2; Barbra Lis, Indiana Chapter of the American Massage Therapy Association, www.amtaindiana.org; January 1, 2007, vacancy report; State Budget Agency: FY 2006 closeout documentation.

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